

**MIKE SPANO
MAYOR**



**CITY HALL
40 S. BROADWAY
YONKERS, NY 10701**

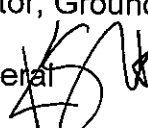
**KITLEY S. COVILL
INSPECTOR GENERAL**

**Ph: 914-377-6107
Fax: 914-377-6990**

**DEPARTMENT OF
INSPECTOR GENERAL
CITY OF YONKERS**

TO: Chuck Lesnick, City Council President
All City Council Members

CC: Mike Spano, Mayor
Wilson Kimball, Commissioner, Department of Planning and
Development
Rick Magder, Executive Director, Groundwork Hudson Valley

FROM: Kitley S. Covill, Inspector General 

SUBJECT: Grant Inspection and Review Report for Groundwork Hudson
Valley, Science Barge
CDBG Year 38:\$25,000

DATE: October 10, 2013

This report is issued in response to City Council Resolution No. 52-2008, which directed the Inspector General to "develop an ongoing oversight program to monitor CBOs [Community Based Organizations] and other entities that receive grant funding from the City of Yonkers," and Resolution No. 94-2008, which directed the Inspector General to "move forward" with the plan that was submitted.

Summary of Findings

Groundwork Hudson Valley ("Groundwork") is a CBO and receives grant money from the City's allocation of Community Development Block Grant (CDBG) funds. We found that Groundwork has adequate financial controls in place to ensure that grant funds are utilized appropriately and were used in a manner that is consistent with the approved grant.

Background

Each year, the City Council gives its approval for the City of Yonkers ("City") to award some of its CDBG budget to CBOs to help underwrite programs that enhance the quality of life in lower income areas. The areas are identified by the City's Department of Planning and Development's Office of Community Development (OCD), in order to address various social and economic issues. Each funding award/contract is processed through the Board of Contract and Supply (BOCS).

Each year, funding is predicated upon:

- Community Development Block Grant eligibility;
- Identification of a national objective;
- Validity of performance indicators;
- Application completeness;
- Past Performance; and
- Disclosure forms.

Each CBO applicant must submit a request for proposal for grant funds which includes:

- Statement of need;
- Proposed budget;
- History, experience, resources;
- Financial reports and/or condition;
- Board of Directors membership; and
- Personnel listing.

Once a grant has been approved, the Commissioner for the Department of Planning and Development must sign-off on each claim. Throughout the CDBG year/contract, the OCD maintains oversight of the CBOs by:

- Reviewing quarterly reports submitted by CBO;
- Performing desk audits for each payment request by CBO which must be accompanied by a detailed expense report and/or other documentation; and
- Conducting site visits during active hours for observations and meetings with CBO/program director(s).

Groundwork falls under the following types of CBOs:

- Arts/Cultural Programs
- Educational Programs Services

Groundwork has been a CDBG grant recipient for ten (10) years. During this time, varying amounts of funding have been given. Over the last five years, Groundwork received grants ranging from \$23,500 to \$60,000, as follows:

- CDBG Year 38 = \$25,000
- CDBG Year 37 = \$55,000
- CDBG Year 36 = \$60,000
- CDBG Year 35 = \$50,000
- CDBG Year 34 = \$23,500

Organization Overview

Groundwork is an environmental not-for-profit organization founded in 2001. Pursuant to its mission statement, Groundwork is dedicated to working with the local community to transform the social and physical environment. Its primary focus is to provide the targeted area in the City with "safe, green, open space through local, on-the-ground projects including an outdoor classroom, a river restoration, a community supported agriculture program, the daylighting of the Saw Mill River, and a summer youth employment program." (from Groundwork's Programs page: <http://www.groundworkhv.org/programs/>). Groundwork's main office is located at 22 Main Street, Yonkers, NY 10701 where it shares space with Groundwork USA, a national non-profit corporation, which coordinates and promotes a network of local "Trusts" such as Groundwork Hudson Valley. It provides the Trusts with needed services to ensure each Trust is an effective, credible and valued partner within their community.

In October 2008, Groundwork acquired the Science Barge, a prototype sustainable urban farm and an environmental education center. The Science Barge is rented from a large barge supplier in New Jersey. The Science Barge has been operational at its current site since 2008. Prior to the Science Barge acquisition Groundwork received CDBG funding for other projects, mostly supporting neighborhood gardens. Beginning in Year 35 City CDBG funding increased significantly to support the Science Barge.

Groundwork's CDBG grant for Year 38 was significantly reduced from the previous year, from \$55,000 to a grant of \$25,000. Thus, unlike previous years, the grant money was used primarily to pay a portion of the barge rental fee.

Grant Summary

In Year 38 of the CDBG program (February 1, 2012 – January 31, 2013), Groundwork received a \$25,000 grant for the Science Barge and material costs for other community environmental projects as described above. Their original proposal had a total budget of \$75,000. The City monies that were approved were budgeted as follows:

\$ 2,500	Program Supplies: Neighborhood Greening
<u>\$ 22,500</u>	Rental of Science Barge
Total: \$ 25,000	

After discussions with OCD the grant was revised and budgeted as follows:

\$ 600	Garden Boxes for the Steven Whetstone Garden
<u>\$ 24,400</u>	Rental of Science Barge
Total: \$ 25,000	

Site Visit

On September 11, 2013, IG staff met with the Groundwork Executive Director and the Director of the Science Barge, at the Barge. It is located in the Hudson River north of the Pier and X20 restaurant. The Science Barge has picnic tables, an old shipping container housing a small office and is used for storage, a roof top garden and an active and productive greenhouse. It is fully operation from about mid-April to mid-October and otherwise open only on Sundays.

Payments

Our review showed that all payments submitted for reimbursement were documented and consistent with the approved grant contract between the City and Groundwork. The payments were supported by invoices or other documentation that satisfied the policy and practice of the Department of Planning and Development for approval of CDBG claims for reimbursement.

Program Participants

Grant participants are required to submit "Quarterly Progress Reports" (QPRs) to the City that provide statistical information regarding the ethnicity and income levels of people who participated in grant funded programs. At the time of our audit, for the grant year of February 1, 2012 through January 31, 2013, Groundwork had submitted three (3) QPRs which stated that, through October 2012, it had contact with 4,363 participants. Of those, 2,031 youths and 54 Yonkers public school teachers were from the target area.

We reviewed a sample of participant sign in sheets for Grant Year 38 and determined that Groundwork was properly documenting participants.

Internal Controls

We found that all payments under the CDBG grant were supported by appropriate documentation and were consistent with the grant budget. There was a system of internal controls that would ensure that grant funds and other Groundwork monies were properly expended. Some of the internal controls Groundwork has in place are:

- An independent accountant;
- A Fiscal/business manager; and
- A Board Finance Committee

We also found that Groundwork had appropriate written policies and procedures, including a fourteen page Financial Management Policy.

Office of Community Development (OCD) Input

None required: All grant-related documentation was available for the IG review and there were no questions about the documents or the grant implementation.

Conclusions

- Groundwork spent Year 38 CDBG funds in accordance with the approved grant budget. There was proper documentation submitted for CDBG reimbursement claims in support of Groundwork payments under the grant.
- Groundwork's Quarterly Progress Reports were detailed and provided statistics to show how the programs were serving the targeted community and meeting specific objectives of the program.
- Groundwork has appropriate internal controls and accounting procedures in place to ensure that grant funds are not misappropriated.

The Science Barge greenhouse states that it annually produces over 6,000 pounds of organic produce which get distributed to local homeless shelters and food pantries through a local church and are sold at a reduced cost at a Farmer's Market on Saturdays. It also has an active public education program, with school groups from Westchester, New York City and the greater New York area visiting during the week, and the general public on weekends.